

Message Text

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ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 RSC-01 SIL-01 DODE-00 PM-07 H-03 L-03

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TO SECSTATE WASHDC 8330

INFO USMISSION OECD PARIS

AMCONSUL FUKUOKA

AMCONSUL NAHA

AMCONSUL OSAKA KOBE

AMCONSUL SAPPORO

C O N F I D E N T I A L TOKYO 15231

E.O. 11652: GDS

TAGS: ELAB, JA

SUBJ: UNIONS PUSHING FOR BIG PAY BOOSTS

SUMMARY: PRIVATE SECTOR UNIONISTS RECEIVING YEAR-END BONUSES ESTIMATED 23 PERCENT OVER 1972 AS EMPLOYERS LOOK BACK ON PROFIT-ABLE YEAR. IN CONTRAST GOJ LOOKING AHEAD TO ECONOMIC IMPACT OF POSSIBLE OIL SHORTAGES REFUSING TO MEET DEMAND OF PUBLIC CORPORATION AND PUBLIC ENTERPRISE WORKERS FOR SPECIAL \$330 QTE INFLATION ALLOW-ANCE UNQUOTE. IN FIRST WAVE OF SHORT SPOT STRIKES AND OTHER DISPUTE TACTICS TO WIN THIS ALLOWANCE, JNR WORKERS UNION SLOWED DOWN TRAINS FROM MIDNIGHT TO NOON NOVEMBER 20 DISRUPTING SCHEDULES UNTIL LATE AFTERNOON. POSTAL WORKERS DELAYED MAIL DISTRIBUTION AND OTHER PUBLIC SECTOR UNIONS TOOK LARGELY SYMBOLIC DISPUTE ACTIONS. FURTHER WAVES OF STRIKES PLANNED ALTHO UNIONS HAVE ALSO REQUESTED MEDIATION. GOJ SO FAR HAS NOT RECOGNIZED UNIONS DEMAND, BUT WITH BOTH LABOR & GOVERNMENT IN TIGHT SITUATION, MUTUAL CONCESSIONS STILL A POSSIBILITY. END SUMMARY.

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1. IN PUBLIC SECTOR, SOHYO THROUGH ITS GEN COUNCIL OF PUBLIC CORP.

LABOR UNIONS (KOROKYO) ON NOVEMBER 20 LAUNCHED FIRST WAVE OF DISPUTE TACTICS TO WIN A SPECIAL \$330 INFLATION ALLOWANCE TO COMPENSATE WORKERS FOR STEEPLY RISING CONSUMER PRICES DURING 1973. CURRENT WAVE LIMITED TO SHORT SPOT STRIKES, SLOWDOWNS AND ON-THE-JOB RALLIES BY GOJ CORPORATIONS AND ENTERPRISES. SOHYO'S JNR WORKERS' UNIONS, DORO AND KOKURO, STAGED HALF HOUR SPOT STRIKES, SLOWDOWNS AND WORK-TO-RULE CAMPAIGNS DELAYING BOTH COMMUTER AND LONG DISTANCE TRAINS. (BUT SERVICE RETURN TO NORMAL BY LATE AFTERNOON.) TELECOMMUNICATIONS WORKERS (ZENDENTSU) AND POSTAL WORKERS (ZENTEI) CALLED OUT SOME MEMBERS FOR AS MUCH AS HALF A DAY TEMPORARILY DISRUPTING MAIL AND TELEPHONE SERVICE. OTHER AGENCIES CALLED TOKEN STRIKES OR CONDUCTED RALLIES ON THE JOB DURING WORKING HOURS; BUT THESE MEANS OF DISPLAYING SUPPORT DID NOT DISRUPT OPERATIONS.

2. SOHYO ANNOUNCED THAT SUBSEQUENT STRIKE WAVES OF UP TO 24 HOURS WOULD BE CALLED NOVEMBER 28 BY SOME TRANSPORT WORKERS (ZENNITTU); NOVEMBER 30 BY PRIVATE RR WORKERS (SHITETSUROREN) AND DECEMBER 4 BY ALL SOHYO'S PUBLIC CORPORATION AND PUBLIC ENTERPRISE UNIONS PLUS NIKKYOSO (TEACHERS' UNION).

3. INFLATION ALLOWANCE IS ONLY ONE ITEM SOHYO PROPOSING TO FIGHT INFLATION. ITS LEADERS HOPE TO MEET PRIME MIN TANAKA TO PRESENT THAT DEMAND AND FOUR OTHERS: (A) INCOME TAX REDUCTIONS FOR WORKERS. (B) HEAVY LAND TAXES ON BIG LAND PLOTS TO GET THEM RE-LEASED FOR SALE TO WORKERS AT REASONABLE PRICES; (C) FREEZE OF RAIL FARES AND PUBLIC UTILITY RATES, (D) QTE DRASTICALLY UNQTE REDUCE DEFENSE AND PUBLIC WORKS BUDGET IN ORDER TO INCREASE EXPENDITURES FOR SOCIAL SECURITY AND SOCIAL WELFARE. OTHER DOMINANT LABOR CONFEDERATION, DOMEI, IS WORKING ON SIMILAR SET OF DEMANDS.

4. SOHYO HAS REQUESTED THAT ALL THE PRIVATE SECTOR UNIONS JOIN INFLATION ALLOWANCE STRUGGLE BUT THE DEGREE OF THEIR PARTICIPATION APPEARS MINIMAL. THIS DOES NOT MEAN, HOWEVER, THAT THEY ARE DISINTERESTED. AS ENTERPRISE UNIONS, MANY ARE VIGOROUSLY NEGOTIATING WITH EMPLOYERS FOR SPECIAL ALLOWANCES OR BIGGER YEAR-END BONUSES. GOVERNMENT AND PRIVATE SOURCES ESTIMATE 1973 YEAR-END BONUSES WILL AVERAGE 23-25 PERCENT OVER LAST YEAR. IN AMOUNTS LARGE FIRMS EXPECTED TO PAY ABOUT \$860, SMALLER COMPANIES \$570. CURRENTLY
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NEGOTIATIONS APPEAR MOVING EVEN HIGHER. THE FIVE BIG STEEL COMPANIES PROPOSED, AND THE UNION ACCEPTED, A YEAR-END '73 AND SUMMER '74 BONUS PACKAGE AVERAGING \$1877, UP \$608 (48 PERCENT) OVER LAST YEAR'S.

4. COMMENT: GOJ IS IN BIND OVER INFLATION ALLOWANCE DEMAND FOR THREE REASONS: (A) TANAKA'S POLICY HAS BEEN TO DENY INFLATION HAS YET REACHED PROBLEM PROPORTIONS; (B) SUPPLEMENTARY BUDGET, WHICH

DOES NOT INCLUDE FUNDS FOR THE SPECIAL ALLOWANCE, HAS ALREADY BEEN
PROPOSED FOR EARLY SUBMISSION TO THE DIET; AND (C) NO
PATTERN OF SIMILAR ALLOWANCE BEING PAID IN PRIVATE INDUSTRY HAS
YET EMERGED. LABOR ALSO IS IN BIND. ITS LEADERSHIP HAS GENERATED
AGGRESSIVE RANK & FILE SUPPORT APPARENTLY NOT REALIZING THE EXTENT
OF GOJ OPPOSITION. STILL ONE POSSIBLE AREA FOR MUTUAL CONCESSION
HAS APPEARED. MOL SOURCES IN TALKS WITH LABOR ON
INFLATION ALLOWANCE ISSUE HAVE DRAWN STRONG INFERENCE THAT CURRENT
CAMPAIGN WOULD BE CALLED OFF IF GOJ WILL PROMISE TO SERIOUSLY
CONSIDER INFLATION FACTOR DURING 1974 SPRING WAGE INCREASE
NEGOTIATIONS. UNIONS GAVE IMPRESSION THAT THEY COULD ASSUAGE
RANK-&-FILE PRESSURE FOR STRIKES IF INSTEAD OF ONE-TIME INFLATION
ALLOWANCE, GOJ WOULD INCORPORATE EQUIVALENT AMOUNT IN 1974 WAGE
INCREASE SPREADING ITS IMPACT OUT OVER THE YEAR.
SHOESMITH

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